

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Re: Docket Nos. 1374, 1403, 1587, 1749

**FEE EXAMINER'S FINAL REPORT REGARDING THIRD THROUGH SIXTH
COMBINED MONTHLY AND FINAL FEE APPLICATION REQUESTS OF
PROVINCE, LLC**

Direct Fee Review LLC (“DFR”), appointed and employed as the Fee Examiner in the above-captioned bankruptcy proceedings and acting in its capacity regarding the Third through Sixth Combined Monthly and Final Fee Application Requests of Province, LLC (the “Firm”) for compensation for services rendered and reimbursement of expenses as Financial Advisor to the Official Committee of Unsecured Creditors for the compensation period from February 1, 2025 through June 30, 2025 (“Fee Application”) seeking approval of fees in the amount of \$1,319,122.00 and the reimbursement of expenses in the amount of \$205.60 and for the final period November 21, 2024 through June 30, 2025 (“Final Fee Application,” and together with the Fee Application, the “Applications”) seeking approval of fees in the amount of \$3,972,420.50 and reimbursement of expenses in the amount of \$1,712.19 and any actual

The last four digits of Franchise Group, Inc.'s federal tax identification number are 1876. The mailing address for Franchise Group, Inc. is 2371 Liberty Way, Virginia Beach, Virginia 23456. The term "Reorganized Debtors" includes Franchise Group, Inc. and certain reorganized debtor affiliates, a complete list of which, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Reorganized Debtors' claims and noticing agent, at <https://cases.ra.kroll.com/FRG/>. All of the motions, contested matters, and adversary proceedings that remained open as of the closing of any of the Reorganized Debtors' cases, or that are opened after the date thereof, are administered in the remaining chapter 11 case of Franchise Group, Inc., Case No. 24-12480 (LSS).

amounts estimated to be in the amount of \$10,000.00 for the period of July 1, 2025 through the Final Fee Hearing, submits its final report.

BACKGROUND

1. In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses contained herein, DFR reviewed the monthly fee statements and the Applications, including each of the billing and expense entries listed in the exhibits to the monthly statements, for compliance with 11 U.S.C. § 330, Rule 2016-1 of the *Local Rules of the United States Bankruptcy Court for the District of Delaware*, as amended February 1, 2025 (“Local Rules”), the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, issued June 11, 2013 (“Guidelines”).
2. DFR did not prepare informal memos related to monthly fee applications of the Firm. We included our questions and issues in an initial report. We have included all responses and any recommended resolutions in this final report.

DISCUSSION

3. For the compensation period of February 1, 2025 through June 30, 2025 the Firm submitted monthly fee applications in the amount of \$1,319,122.00 as actual, reasonable and necessary fees and for expense reimbursement of \$205.60. We calculated that for the Fee Application period \$54,402.00 related to fee application preparation. Included in the application are \$9,170.00 of fees in respect of fee application preparation activity from June 7, 2025 through June 30, 2025. The application also includes a request for approval of estimated fees for the period from July 1, 2025 through the Final Fee Hearing of \$10,000.00.

4. We deem it generally acceptable to have a maximum of 3% of total time charged in preparing fee applications. For Firms with more limited involvement, we consider an alternative standard of less than \$50,000 in total spent on preparing fee applications. We apply these guidelines on a cumulative basis. We evaluate these charges with consideration to the length of time of the case and the practice experience of the firm. In each application we review every entry for substance and to determine the correct allocation without regard for materiality. We noted that cumulatively through this period the Firm has charged \$63,572.00 related to fee applications on a cumulative basis and we have calculated that 1.6% of the fees billed related to fee applications on a cumulative basis. We do not have an objection to the amount of fees charged for fee application preparation in this fee application based upon our review and procedures and we deem the amount to be reasonable.
5. Our procedures applied to the monthly fee applications for identified entries where charges may have been duplicated. We requested and the Firm agreed to correct the application for the duplicates listed in Exhibit A. We recommend that fees be reduced by \$2,501.00.
6. Pursuant to the Guidelines, administrative or general costs incident to the operation of the applicant's office and not particularly attributable to an individual client or case are not reimbursable. We noted entries that seemed to reflect administrative activity that would not be charged to the estate. We requested and the Firm provided additional explanation that indicated that these entries were not for administrative activities. Since no adjustment is required, no exhibit has been included.

7. All motions shall include complete and detailed activity descriptions; each activity description shall include the type of activity; each activity description shall include the subject matter and shall be sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary. Our procedures applied to the monthly fee applications identified entries with descriptions which we consider vague or insufficient or non-substantive. The Firm provided additional explanation in support of the time and need of these entries and agreed to withdraw the entries in Exhibit B that did not explain the amount of time charged. We recommend that fees be reduced by \$3,330.00.
8. Our review and procedures applied to the monthly fee statements and the applications, including each of the billing entries listed in the exhibits to the monthly statements did not disclose any other material issues or questions.

FINAL APPROVAL OF FEES AND EXPENSES

9. The Firm previously filed the First Interim Fee Application Request for the period November 21, 2024 through January 31, 2025. We reviewed these fee requests and filed our reports with the Court recommending approval of the fees of \$2,653,298.50 and the reimbursement of expenses in the amount of \$1,506.59 for the period November 21, 2024 through January 31, 2025. We have not identified any changes to our previous report and we continue to recommend the compensation and expense reimbursement as stated therein.

CONCLUSION

10. Regarding the application and the fees and expenses discussed in the previous sections, DFR submits its final report for the Third through Sixth Combined Monthly and Final Fee Application Requests of Province, LLC for compensation for services rendered and

reimbursement of expenses as Financial Advisor to the Official Committee of Unsecured Creditors for the compensation period from February 1, 2025 through June 30, 2025 and we recommend the approval of the fees of \$1,313,291.00 (\$1,319,122.00 minus \$5,831.00) and reimbursement of expenses in the amount of \$205.60 and we recommend the final approval of the fees of \$3,966,589.50 (\$3,972,420.50 minus \$5,831.00) and the reimbursement of expenses in the amount of \$1,712.19 for the Final Fee Application plus any actual amounts estimated to be in the amount of \$10,000.00 for the period of July 1, 2025 through the Final Fee Hearing.

Respectfully submitted,

DIRECT FEE REVIEW LLC
FEE EXAMINER

By: 
W. J. Dryer

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Exhibit A:

2/11/2025	Courtney Betty	Solvency analysis.	Committee Activities Business Analysis / Operations	2.80	610.00	\$1,708.00
2/11/2025	Courtney Betty	Solvency analysis.		2.80	610.00	\$1,708.00
2/21/2025	Courtney Betty	Reviewed SEC filings and internal company documents .	Committee Activities	1.30	610.00	\$793.00
2/21/2025	Courtney Betty	Reviewed SEC filings and internal company documents .	Committee Activities	1.30	610.00	\$793.00

Exhibit B:

2/27/2025	Courtney Betty	historical transactions.	Business Analysis / Operations	1.80	610.00	1,098.00
2/28/2025	Boris Steffen	in connection with solvency analysis.	Business Analysis / Operations	2.40	930.00	2,232.00